

**Agenda Item #12**  
July 12, 2002

To: Delta Protection Commission

From: Karen Morais, Staff

Subject: Delta License Plate  
*(For possible Commission Action)*

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**Staff Recommendation:**

The Commission should consider adopting a Delta License Plate program, and if yes, direct staff to pursue legislative support in the 2003-2004 Regular Legislative Session.

**Staff Report:**

California has several, successful special interest license plate (SILP) programs. At the Delta Protection Commission's May meeting, staff was asked to explore the possibility of adopting a "Delta Special License Plate" for the Commission's consideration.

Created in 1970, the Environmental License Plate Fund (ELP) receives proceeds from the Department of Motor Vehicles' (DMV) sale of personalized license plates. Since its creation, the program has generated more than \$500 million.

The Vehicle Code (§5060) requirements are very exacting and charge the DMV with program oversight. The Legislature has introduced over fifty bills since inception of the SILP program in 1988; twenty-one bills have been enacted and of those, nine failed in their attempt to seek the minimum number of plates required to start production. SILP's are available for autos, commercial vehicles or trailers. The plates are not available for motorcycles at this time. The plates may be ordered in sequential (standard numbering) or personalized configurations (custom numbers/letters).

Legislation enacted in 1992 established general criteria for all special interest plates, which required the receipt of at least 5,000 applications for a particular plate type before its production and issuance by DMV. This minimum number was increased to 7,500 by Senate Bill 1329 (Karnette, Chapter 163, Statutes of 2000). Additionally, SB 1329 requires:

- 1) DMV to discontinue programs which cannot maintain 7,500 as a minimum number of currently outstanding and valid plates;
- 2) The sponsor must submit a financial plan and proof of tax-exempt status (after the bill passes; and
- 3) DMV must submit an annual accounting report from each organization and an annual consolidated report to the Legislature.

The Vehicle Code Section 5060, in part, states:

- *An organization may apply to the department for participation in a special interest license plate program.....;*
- *No organization may be included in the program until not less than 7,500 applications for the particular special interest license plates are received.....Once the organization has received at least 7,500 applications, it shall submit the applications, also with the necessary fees, to the department.*
- *The organization shall have 12 months, following the effective date of the enactment.....to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, the organization shall immediately do either of the following;*
  - *Refund to all applicants any fees or deposits that have been collected, or*
  - *Contact the department to indicate the organization's intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications.....The organization shall refund the fees or deposits to any applicant so requesting.....*
- *Every organization authorized.....shall prepare and submit an annual accounting report to the department by June 30.....*

There are three organizations currently attempting to gather 7,500 paid applications: Girl Scouts; Breast Cancer; and, Rotary International. In addition, four bills were introduced in the 2001/2002 Legislative Session:

- 1) AB 1406 (Hollingsworth) the Wildlife and Natural Areas Conservation Fund for Sportspersons to fund wildlife conservation. License plate provision since removed. Status: N/A.
- 2) AB 1759 (Wesson) creates the California Memorial License Plate Program. Revenues would fund anti-terrorism activities and provide educational scholarships for the dependants of September 11 victims. Status: Chaptered May 13, 2002.

- **Note:** *AB 1759 was introduced in response to the events of 9/11, and waives the 7,500 application requirement, the necessity for a sponsoring organization to collect the applications and fees, the allocation of Environmental License Plate (ELP) fee revenues to the ELP Fund, and the requirement for DMV's startup costs to be reimbursed from proceeds from the sale of the California Memorial plates. These waivers were necessary to allow proceeds from the sale of the plate to start flowing to anti-terrorism programs and victims' dependents' scholarship funds immediately. The bill also required DMV to consult with CHP in approving final design of the plate.*

- 3) AB 2248 (LaSuer) is similar to SB 1291 and would require the department to issue "Choose Life" special interest license plate to raise funds to support adoption services. Status: Assembly Transportation Committee; not scheduled.
- 4) SB 1291 (Haynes) would require DMV to issue "Choose Life" to fund adoption services. Status: Senate Transportation Committee; failed first hearing.

The California Agriculture Leadership Program is currently developing a proposal for an agriculture special license plate. The sponsors have drafted language and will seek an author in the next legislative session.

Interesting statistics on the existing programs, using the Arts Council as an example: They have sold 79,883 plates since the program began in July 1994; DMV has collected \$10,424,970 on all applications during that time; however, only 42,137 are still being displayed on registered vehicles, out of the 79,883 sold. According to DMV, this implies that many of the people who originally purchased the plates have subsequently turned them in and are no longer contributing to the program.

<b>Sponsor</b>	<b>Sold</b>	<b>Applications</b>	<b>Renewed</b>
Arts Council	79,883	\$10,524,970	42,137
Coastal Commission	59,168	\$ 9,439,554	37,865
Firefighters	15,767	\$ 2,367,811	10,270
Kids Plates	71,347	\$ 8,657,725	38,598
Lake Tahoe	25,625	\$ 4,541,117	15,745
UCLA	3,795	\$ 965,701	2,112
Veterans	22,721	\$2,578,413	12,582
Yosemite	71,307	\$19,258,405	37,335

The cost of the plates is determined by the sponsor and must be stated in the authorizing legislation. The California Coastal Commission receives approximately \$800,000 annually. The funds are committed primarily to education, beach maintenance and a small percentage to the Coastal Conservancy. The Commission's authorizing statute (V.C. §5067b) states:

*In addition to the regular fees for an original registration or renewal of registration, the following additional fees shall be paid for the issuance, renewal, retention, or transfer of the special environmental design license plates authorized pursuant to this section:*

*(1) the original issuance of the plates, fifty dollars (\$50).*

*(2) . . . . . renewal of registration of the plates or retention of the plates, if renewal is not required, forty dollars (\$40).*

Further, if the applicant requests “personalized” plates in addition to the SILP, there would be an added cost of \$40/plate. As *an example*, if the Delta special plate is successful, the initial Delta plate would be \$50; personalized option rather than the DMV numerical assigned numbers add an additional \$40; lastly, add the vehicle’s regular annual fees. While the annual renewal is adjusted down, the amount contributing to the fund remains consistent with the initial authorization.

DMV’s implementation costs to get a new special license plate program up and running is approximately \$400,000. In order to ensure there is no negative fiscal impact, DMV is authorized to deduct these costs from the revenues generated on the first 7,500 plates sold.

In previous years, special license plates have received opposition from some law enforcement agencies because of the concern that the plate’s design would hinder law enforcement’s efforts; specifically, the configuration and graphic components which could reduce the plate’s legibility. However, this concern may be resolved since the Legislature enacted a requirement that a SILP’s distinctive design be placed to the left of the numbers and letters on the plate.

In summary, there would be two primary purposes for a Delta license plate: 1) additional funds for the Commission’s goals as stated in the Delta Protection Act; and 2) raise awareness of the Delta and its significant importance throughout the State. A Delta SILP has the potential of generating interest among the agriculture, recreation, and environmental communities as well as Delta residents and visitors.